TELECOMMUNICATIONS/Means Test for Community User Discount

SUBJECT: Telecommunications Competition and Deregulation Act of 1995 . . . S. 652. Pressler (for McCain) amendment No. 1285.

ACTION: AMENDMENT AGREED TO, 98-1

SYNOPSIS: As reported, S. 652, the Telecommunications Competition and Deregulation Act of 1995, will amend telecommunications laws and reduce regulations in order to promote competition in the telecommunications industry by

eliminating barriers that prevent telephone companies, cable companies, and broadcasters from entering one another's markets. It will also permit electric utilities to enter the cable and telephone markets. Judicial control of telecommunications policy, including the "Modified Final Judgment" regime, will be terminated.

The Pressler (for McCain) amendment would provide that the discounted rates for telecommunications services that this bill will order to be given to libraries, schools, and rural health care providers would not be given to any entity: that operates as a for-profit business; that is a school with an endowment of more than \$50 million; or that is a library that is not eligible for Library Services and Construction Act title II funds. The effect of the amendment would be to prohibit discounts from going to entities that can afford to pay market rates for telecommunication services.

Those favoring the amendment contended:

This bill's supposed purpose is to deregulate the telecommunications industry. However, it will continue the practice of requiring the provision of "universal service" subsidies through government-selected companies. All companies will be taxed to provide these subsidies, and the selected companies will get their guaranteed customers. The bill will also specifically designate schools, rural hospitals, and libraries as telecommunications customers that must be given special subsidies. As we have argued on earlier votes (see vote Nos. 244 and 251), the current subsidy system has failed to meet its objectives and has operated as a welfare system for rich telecommunications companies. Because of the latter fact, it is our opinion that some Senators have been unwilling to change

(See other side) **YEAS (98)** NAYS (1) NOT VOTING (1) Republicans **Democrats** Republicans Democrats Republican Democrats (53 or 100%) (45 or 98%) (0 or 0%) (1 or 2%) **(1)** (0)Hatch-2AY Abraham Hutchison Akaka Hollings Simon Ashcroft Inhofe Baucus Inouye Jeffords Biden Bennett Johnston Kassebaum Bond Bingaman Kennedy Brown Kempthorne Boxer Kerrey Burns Bradley Kerry Kyl Campbell Lott Breaux Kohl Chafee Bryan Lautenberg Lugar Bumpers Mack Coats Leahy Cochran McCain Bvrd Levin Cohen McConnell Conrad Lieberman Coverdell Murkowski Mikulski Daschle Moseley-Braun Craig Nickles Dodd D'Amato Packwood Dorgan Movnihan DeWine Pressler Exon Murray Feingold Dole Roth Nunn EXPLANATION OF ABSENCE: Domenici Santorum Feinstein Pell Faircloth Shelby Ford Pryor 1—Official Buisiness Frist Simpson Glenn Reid 2—Necessarily Absent Gorton Smith Graham Robb 3—Illness Rockefeller Gramm Snowe Harkin 4—Other Grams Specter Heflin Sarbanes Grassley Wellstone Stevens SYMBOLS: Gregg Thomas AY—Announced Yea Hatfield Thompson AN-Announced Nav Helms Thurmond PY-Paired Yea Warner PN-Paired Nay

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the current system. However, we are pleased to learn that those Senators who opposed our earlier efforts have agreed to accept this amendment, under which subsidies would still be given through particular companies, but they would only go to entities that need them. For-profit companies, wealthy schools, and wealthy libraries would not receive help. We are thankful to our colleagues for their acceptance of the McCain amendment, and we urge its adoption.

No arguments were expressed in opposition to the amendment.